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FILE NO: 27120.002012

May 22, 2003

VIA Email

Nina B. Hale, Esq.
United States Department of Justice
325 Seventh Street, NW
Antitrust Division, Suite 500
Washington, DC 20530

Re: U.S. v. Smithfield Foods, Inc. (Case No. 1:03CV00434)

Dear Ms. Hale:

Following up on our call Tuesday afternoon, we agree that Smithfield Foods, Inc. will not attempt to respond to discovery on behalf of its subsidiaries. Rather, DOJ will serve each subsidiary with a subpoena for documents. To expedite discovery, I agree to accept service of these subpoenas by facsimile. In addition, subject to objections, we agree to interpret such subpoenas as applying to any subsidiaries of the companies to which they were directed.

DOJ has alleged that the only subsidiaries of SFD that are amenable to jurisdiction in the District of Columbia are Gwaltney of Smithfield, Ltd. ("Gwaltney") and The Smithfield Packing Company, Incorporated ("Packing"). Therefore, we object to responding to any document request or interrogatory that seeks documents from or information regarding any other SFD subsidiary. Subject to objections, however, Gwaltney and Packing will respond to any subpoenas for documents as though such subpoenas cover any of their own subsidiaries.

We maintain that conduct after the causes of action accrued on June 26, 1998 and December 8, 1999, is irrelevant. Nonetheless, for purposes of jurisdictional discovery and subject to any objections, we will produce documents and respond to interrogatories for the time period January 1, 1997 through January 31, 2001. We object to any request for documents or interrogatory to the extent it seeks documents or information after January 31, 2001.

We object to your request to take eight depositions. Eight depositions are unreasonable and are unduly burdensome to the companies and executives who must make themselves available to prepare for depositions and be deposed. We would be willing to permit four depositions. Since the Court granted sixty days to conclude jurisdictional discovery, I believe the Court would consider it a "Fast Track" matter. Local Civil Rule 26.2 presumptively limits discovery in a Fast Track matter to twelve interrogatories by each party and three depositions by

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each side. Thus, our offering four depositions and agreeing to nineteen interrogatories is more than reasonable.

As I explained during our call, we wanted to raise our initial concerns with you as quickly as possible and have not yet discussed discovery with our client. Therefore, we may need to address other issues or objections after we speak with our client. Finally, we reserve the right to make additional specific objections to your discovery.

Sincerely yours,

“/s/”

Thomas G. Slater, Jr.

tgs/cls

cc: Alexander Hewes, Esq.
Jessica K. Delbaum, Esq.
Kevin Arquit, Esq.
R. Noel Clinard, Esq.